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Government of Kerala
2026

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കേരള ഗസറ്റ്
KERALA GAZETTE
അസാധാരണം
EXTRAORDINARY

ആധികാരികമായി പ്രസിദ്ധപ്പെടുത്തുന്നത്
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Thiruvananthapuram,
Friday

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15th May 2026
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25th Vaisakha 1948

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No. 1573

GOVERNMENT OF KERALA

FINANCE (SECRET SECTION) DEPARTMENT

NOTIFICATION

No SS-1/372/2025-FIN *Dated, Thiruvananthapuram, 06 th May, 2026.*

Sale and Issuance of State Government Securities

Government of Kerala, in supersession of its Notification dated July 20, 2007 hereby notifies the terms and conditions for sale and issuance of Government Securities issued by the Government of Kerala (hereinafter referred to as “Securities”),

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2. Name and Applicability

i. This Notification shall be called as the 'General Notification for Sale and Issuance of Government Securities by the Government of **Kerala**, (hereinafter referred to as 'General Notification').

ii. Sale and issuance of Securities shall be subject to the general terms and conditions contained in this Notification and any other notification that may be issued with respect to creation and issuance of any specific Security (hereinafter referred to as "Specific Notification").

3. Objective

The objective of this Notification is to list out the terms and conditions applicable to issuance of Securities and certain features and methods of issue of different types of Securities. The Securities will be issued upon the security of the Consolidated Fund of the State of **Kerala** in accordance with Article 293(1) of the Constitution of India.

4. Types of Securities

Government of **Kerala** may issue, from time to time, the following types of Securities:

i. Fixed Coupon Rate Securities

a. Securities carry a specific coupon rate, applied to the face value, determined at auction or otherwise, as specified in relevant Specific Notification, and remain fixed during the tenor of the Securities.

b. Securities may be issued at a discount, at par or at a premium to the face value.

c. Securities may be issued with original maturity of not less than one year.

d. Securities may be redeemed at face value or as specified in the Specific Notification.

ii. Securities with other features as notified in the relevant Specific Notification

5. General Terms and Conditions

The general terms and conditions applicable to sale and issuance of all Securities will be as under:

i. Eligible Investors

a. Any person resident in India, including but not limited to firms, companies, corporate bodies, institutions, other State Governments, Union Territories with legislature, provident funds, pension funds, trusts, Hindu Undivided Family and individuals.

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b. Any person resident outside India permitted to invest in Securities in terms of the Foreign Exchange Management (Debt Instruments) Regulations, 2019 issued under Foreign Exchange Management Act, 1999.

ii. Procedure of Sale and Issue of Securities

The operational procedure and other details such as date and place of issuance, tenor, issuance method, etc., for sale and issue of securities, shall be announced by the Reserve Bank of India (the Reserve Bank) through a press release or such other means as may be considered necessary.

iii. Form

Securities shall be issued to the investors by credit to their Subsidiary General Ledger[1] (SGL) account or to Constituents' Subsidiary Ledger[2] (CSGL) account, maintained with the Reserve Bank or in such other form as may be permitted under the provisions of the Government Securities Act, 2006.

iv. Minimum Subscription

Securities will be issued for a minimum amount of ₹10,000 (Face Value) and in multiples of ₹10,000/- thereafter, or any other amount as specified by the Reserve Bank of India (RBI), in consultation with the State Government.

v. Payment

Payment shall be made by the successful SGL/CSGL account holders on such dates as mentioned in the Specific Notification or as specified by the Reserve Bank, by means of an authority to debit their current account with the Reserve Bank or by Electronic Fund Transfer or any other means as stipulated by the Reserve Bank.

vi. Coupon

a. Coupon on Securities will be paid by the Public Debt Offices (PDOs) of the Reserve Bank. Coupon on Securities held in Bond Ledger Account with any of the offices of the Reserve Bank/ Agency, as specified by the Reserve Bank in this behalf, will be paid at such Office/Agency.

b. Coupon will be paid after rounding off the amount to the nearest whole rupee. For this purpose, amount of coupon less than fifty paise will be ignored and fifty paise or more will be rounded off to the next rupee, unless specified otherwise

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[1] A subsidiary General Ledger (SGL) Account shall mean an account opened and held with the Reserve Bank for holding or/and transacting in Government Securities.

[2] CSGL is the SGL account opened and maintained with the Reserve Bank by an agent on behalf of the constituent of such agent.

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vii. Repayment

a. Securities will be repaid at PDO of the Reserve Bank or at any other institution at which they are registered at the time of repayment.

b. Securities will be repaid on the date of redemption as specified in the Specific Notification or before their specified redemption dates in case of exercise of option by the State Government / option holder in Securities with embedded options, as the case may be.

c. **Securities may be bought back before their specified redemption date, at a price determined through a buyback auction, on any date determined by the Reserve Bank, in consultation with the State Government.**

viii. Transferability

a. Securities can be renewed, sub-divided, consolidated, converted or transferred in accordance with the provisions of the Government Securities Act, 2006 and the Government Securities Regulations, 2007 framed thereunder and the terms of this notification and any other notification which may be issued in this regard.

b. The conversion of security from one form to another will be subject to the conditions as per the Specific Notification.

c. The transfer of Securities by person resident outside India shall be subject to Regulations framed under the Foreign Exchange Management Act, 1999 and the Directions issued thereunder.

ix. Applicable Laws

a. The rights of all persons subscribing to or holding the Securities shall be determined in accordance with the Government Securities Act, 2006 and the Government Securities Regulations, 2007 framed thereunder, read with the terms of this Notification and any other Notification as may be issued from time to time.

b. The provisions of the tax laws, for the time being in force in India, will be applicable for the purpose of assessing and determining the tax liability of the investor or holder of the Securities.

c. Any dispute in relation to the Securities shall be subject to the jurisdiction o the Courts in India.

6. Modes of issue of Securities

Government of **Kerala** may issue Securities through following modes:

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i. Issue of Securities through auction

a. Securities will be issued through auction, either on yield basis or price basis. Where the issue of the Securities paying periodic coupon is on yield basis, the coupon is decided in an auction conducted by the Reserve Bank in the manner as provided hereinafter or as stated in the Specific Notification. Where the issue of the Securities paying periodic coupon is on price basis, the coupon will be predetermined.

b. Both competitive and non-competitive bids for the auction should be submitted in electronic format on the Reserve Bank's Core Banking Solution or any other platform/ system as decided by the Reserve Bank. The Reserve Bank may permit submission of physical bids under exceptional circumstances.

c. Competitive bidder may submit multiple bids at same/different rates of yield or prices, as the case may be. The aggregate amount of bids submitted by an applicant in an auction should not exceed the notified amount.

d. On the basis of the bids received, the Reserve Bank will determine the maximum rate of yield or the minimum price, as the case may be, at which bids for purchase of Securities will be accepted in the auction. Maximum rate of yield determined in a yield-based auction for the Securities paying periodic coupon will be the per annum coupon rate for those Securities.

e. Retail Investors can participate in an auction on 'non-competitive' basis as per the extant Scheme of Non-competitive Bidding Facility announced by the Reserve Bank.

f. The Reserve Bank, in consultation with the State Government, may retain additional subscription up to an amount as may be specified in the 'Specific Notification'.

g. The auction for issue of Securities (yield basis or price basis) can be held as per 'Uniform price' method or 'Multiple price' method or any other method as decided by the Reserve Bank, in consultation with State Government from time to time.

(A) Where an auction is held as per 'Uniform price' method, competitive bids with rates up to and including the maximum rate of yield or the prices up to and including the minimum bid price, as determined by the Reserve Bank, will be accepted at the maximum rate of yield or minimum bid price. Bids quoted higher than the maximum rate of yield or lower than the minimum price, so determined, will be rejected.

(B) Where an auction is held on 'Multiple price' method, competitive bids up to the maximum rate of yield or the minimum bid price, as determined by the Reserve Bank will be accepted at the respective bid rate. In yield-based auction, successful bidders, whose quotes are lower than the maximum rate of yield accepted, are

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required to pay the price differential. Bids quoted higher than the maximum rate of yield or lower than the minimum price, so determined, will be rejected.

h. The Reserve Bank, in consultation with State Government, may reject any or all bids either wholly or partially, without assigning any reason thereof.

ii. Issue of Securities through On-tap sale

a. The amount of issuance may be/may not be indicated in the notification in respect of the Securities sold on tap.

b. Applications, duly filled in and complete in all respect, should be submitted to the office of the Reserve Bank or any other office notified for the purpose, before the close of specified time/banking hours notified by the Reserve Bank on the specified date(s).

c. Sale of such Securities may be extended to whole, or part of the year and the sale may be closed at any time on any day or as specified by the Reserve Bank, in consultation with the State Government.

d. The Reserve Bank, in consultation with the State Government, may reject any or all bids either wholly or partially, without assigning any reason thereof.

iii. Switching/ Issue of new Securities in conversion of existing Securities

a. The Reserve Bank, in consultation with the State Government, may provide the holders of Securities an option to convert certain existing Securities into other Securities at specified price or at a price as determined in auction.

b. The Reserve Bank may accept or reject any or all bids either wholly or partially, without assigning any reason thereof.

iv. Any other mode, as may be notified by the State Government, in consultation with the Reserve Bank.

By order and in the name of the Governor of Kerala,

K R JYOTHILAL
ADDITIONAL CHIEF SECRETARY
Government of Kerala

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